Junior Money Foundation

CASH, CREDIT, DEBIT, DIGITAL

Grades 6-8th | Ages 11-14

Classroom Presentation

CASH

- Physical Currency
- Bills, coins

DEBIT VS CREDIT

Debit

- Directly spends your OWN money
- Connected to your checking account (basically your bank account for everyday transactions)
- *Spends your own money directly from your checking account*

Credit

- *Borrows money from the bank that you pay back later*

- Similar to taking out a loan from the bank.
- The bank keeps track of how much you spent and gets back to you with a monthly statement of how much you owe
- Whatever amount you can not pay back, will be paid back next month, but with interest
    - Interest = paying back a little bit more than what you originally owed

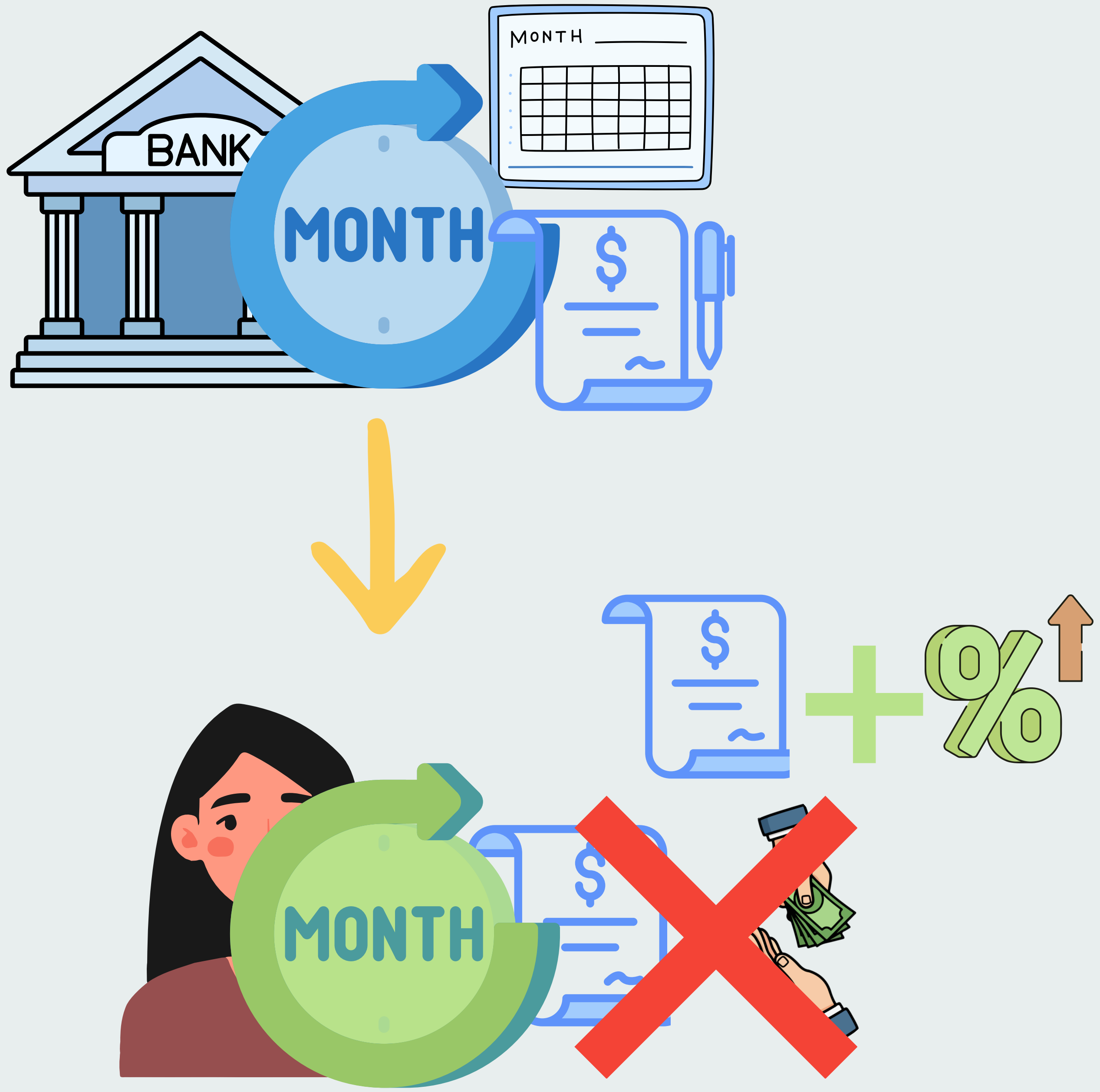
- So why do people use credit cards?
- Credit scores. Good score = good reputation
- People trust you. Easier to get car loans, mortgages, apartment rentals.

Credit

- *Borrows money from the bank that you pay back later*

- Similar to taking out a loan from the bank.
- The bank keeps track of how much you spent and gets back to you with a monthly statement of how much you owe
- Whatever amount you can not pay back, will be paid back next month, but with interest
  - Interest = paying back a little bit more than what you originally owed

- So why do people use credit cards?
- Credit scores. Good score = good reputation
- People trust you. Easier to get car loans, mortgages, apartment rentals.



Credit

- *Borrows money from the bank that you pay back later*

- Similar to taking out a loan from the bank.
- The bank keeps track of how much you spent and gets back to you with a monthly statement of how much you owe
- Whatever amount you can not pay back, will be paid back next month, but with interest
  - Interest = paying back a little bit more than what you originally owed

- So why do people use credit cards?
- Credit scores. Good score = good reputation
- People trust you. Easier to get car loans, mortgages, apartment rentals.

DEBIT VS CREDIT

Debit

- Directly spends your OWN money
- Connected to your checking account (basically your bank account for everyday transactions)
- *Spends your own money directly from your checking account*

Credit

- Spends the bank's money that you will pay back later
- Whatever you don't pay back by the due date, accumulates interest
- *Borrows money from the bank that you pay back later*

Debit = deduct | Credit = contract

QUICK CARD GAME

HAVE YOU USED APPLE PAY / GOOGLE WALLET BEFORE?

Yes

No

YOU'VE USED DIGITAL WALLETS BEFORE!

- Apple Pay, Google Wallet are applications for digital payment!
- They can store your debit and credit cards right on your phone!
- Now, you can tap-to-pay in under two seconds!

DIGITAL WALLETS

- Applications like Apple Pay are not another credit/debit card. They are not the bank.
- They are simply the storage for your credit/debit card.
- They handle the delivering mechanism and hold your actual cards somewhere on your phone.

WHAT MAKES DIGITAL WALLETS DIFFERENT FROM REGULAR CARDS?

They create a randomized digital code

They create a secret password stored in the cloud

**THIS PROCESS IS CAN ALSO BE CALLED "TOKENIZATION"

A RANDOMIZED DIGITAL CODE!

- When you tap your phone at the store, your phone sends an invisible signal to the cash register to process the payment.
- (Which means you'll never have to take out your physical card – just your phone!)

But here is where it get's interesting..

- A random string of numbers (a token) is created to replace your credit/debit card number. This token can only be read properly by your bank and tells them what your real credit/debit card number is.
- When you tap to pay, the wallet transmits this temporary token to the merchant instead of your real card number.
- This code is one-time use. After 2 seconds it holds no meaning. It basically processes the transaction with your bank and the merchant.

What does this mean?

- Digital wallets hide your information completely behind a token! If that code was intercepted by a hacker, it means nothing. However, if your credit card was stolen, the thief has your real credit card number forever.

**THIS PROCESS IS CAN ALSO BE CALLED "TOKENIZATION"

A RANDOMIZED DIGITAL CODE!

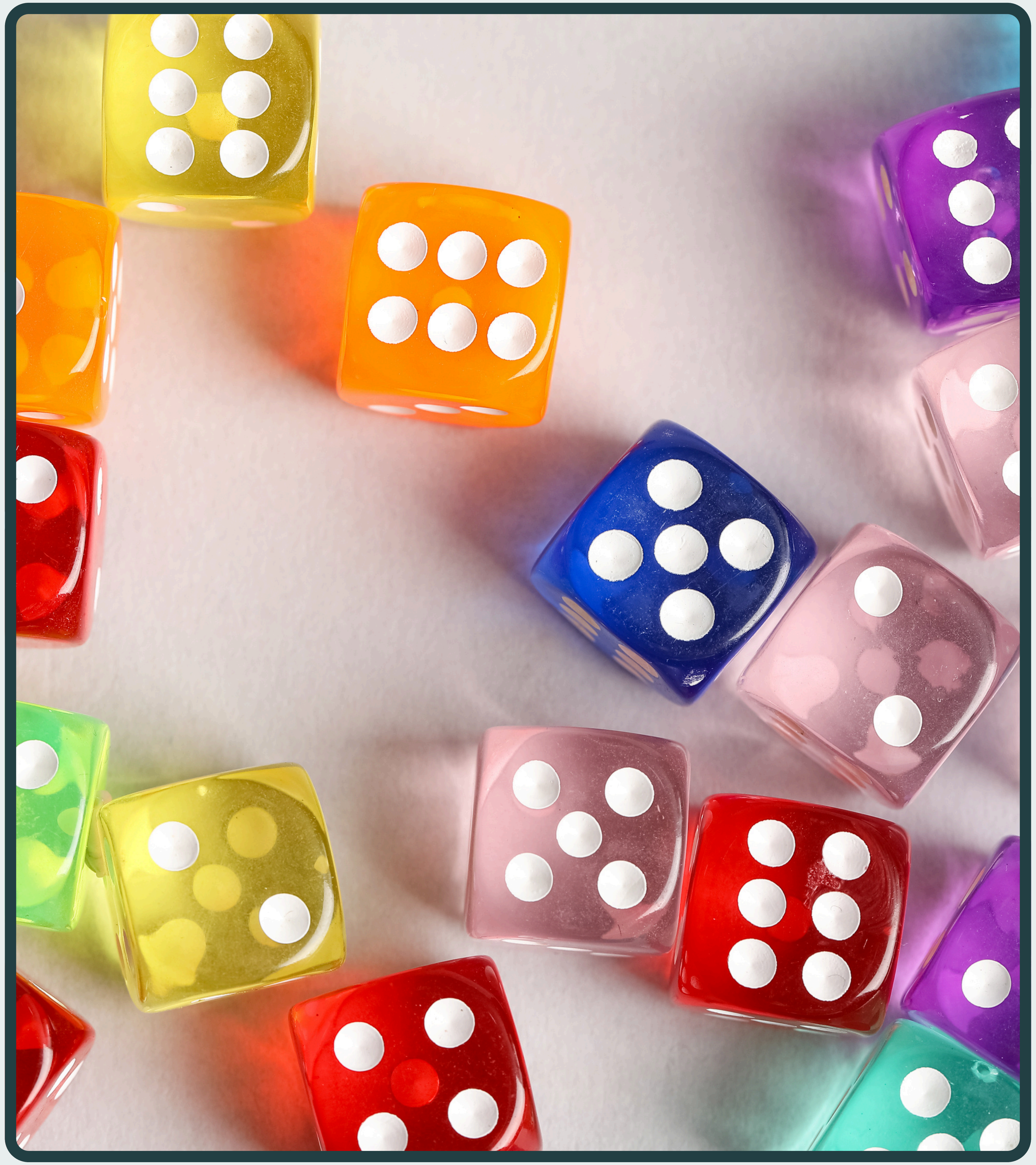
- Phone sends an invisible signal to the cash register to process the payment.
- Never need to take your physical card out – just your phone!
- Like we said earlier, it's a digital wallet!

But here is where it get's interesting..

- A token is created to replace your credit/debit card number.
  - Token can only be read properly by your bank
  - Tells them what your real credit/debit card number is.
- Merchant gets the token.
- One-time use. After 2 seconds it holds no meaning.

What does this mean?

- Digital wallets hide your information completely behind a token! If your credit card was stolen, the thief has your real credit card number forever.



SURVIVAL GAME

YOU ARE PRONE TO OVERSPENDING. YOU ARE GOING TO THE MALL AND ARE ONLY ALLOWED TO SPEND EXACTLY WHAT YOU HAVE.

Cash

Credit

Debit

Digital Wallet

YOU ARE PRONE TO OVERSPENDING. YOU ARE GOING TO THE MALL AND ARE ONLY ALLOWED TO SPEND EXACTLY WHAT YOU HAVE.

+1

-1

+1

0

YOU WANT TO PAY YOUR MONTHLY SUBCRIPTION AUTOMATICALLY SO YOU NEVER FORGET

Cash	Credit
Debit	Digital Wallet

YOU WANT TO PAY YOUR MONTHLY SUBCRIPTION AUTOMATICALLY SO YOU NEVER FORGET

-1	+1
+1	0

A HOTEL VALET JUST PARKED YOUR CAR AND YOU WANT TO QUICKLY GIVE THEM A $5 TIP ON THE SPOT FOR THEIR SERVICE.

Cash	Credit
Debit	Digital Wallet

A HOTEL VALET JUST PARKED YOUR CAR AND YOU WANT TO QUICKLY GIVE THEM A $5 TIP ON THE SPOT FOR THEIR SERVICE.

+1	-1
-1	-1

LIGHTING ROUND

ONLY THE BEST ANSWER GETS REWARDED

WHICH FORM OF PAYMENT IS LINKED DIRECTLY TO YOUR CHECKING ACCOUNT?

Cash

Credit

Debit

Digital Wallet

Debit

+1

WHICH FORM OF PAYMENT BORROWS MONEY TO FORM A PAYMENT HISTORY?

Cash

Credit

Debit

Digital Wallet

Credit

+1

WHICH FORM OF PAYMENT DOES NOT HOLD MONEY ITSELF, BUT RATHER, STORES EXISTING CARDS.

Cash

Credit

Debit

Digital Wallet

Digital Wallet
+1

YOU ARE RUSHING TO CATCH A SUBWAY TRAIN IN A MAJOR CITY. THE TRAIN IS PULLING UP, AND YOU NEED THE ABSOLUTE FASTEST WAY TO PAY FOR YOUR TICKET.

Cash

Credit

Debit

Digital Wallet

YOU ARE RUSHING TO CATCH A SUBWAY TRAIN IN A MAJOR CITY. THE TRAIN IS PULLING UP, AND YOU NEED THE ABSOLUTE FASTEST WAY TO PAY FOR YOUR TICKET.

-1	-1
-1	+1

A SEVERE STORM KNOCKS OUT ALL ELECTRICITY AND CELL TOWERS IN YOUR TOWN. YOU NEED TO BUY ICE AND BOTTLED WATER FROM A LOCAL STORE.

Cash	Credit
Debit	Digital Wallet

A SEVERE STORM KNOCKS OUT ALL ELECTRICITY AND CELL TOWERS IN YOUR TOWN. YOU NEED TO BUY ICE AND BOTTLED WATER FROM A LOCAL STORE.

+1	-1
-1	-1

YOU CRASHED YOUR PARENT'S CAR AND NEED TO TOW IT. YOU ARE UNSURE OF HOW MUCH IT WILL COST.

Cash	Credit
Debit	Digital Wallet

YOU CRASHED YOUR PARENT'S CAR AND NEED TO TOW IT. YOU ARE UNSURE OF HOW MUCH IT WILL COST.

-1	+1
0	0

YOU FINISHED EATING AT A RESTAURANT. THE WAITER BRINGS A LEATHER FOLDER AND A PAPER CHECK. THEY MUST TAKE YOUR PAYMENT BACK TO THE KITCHEN TO PROCESS IT.

Cash	Credit
Debit	Digital Wallet

YOU FINISHED EATING AT A RESTAURANT. THE WAITER BRINGS A LEATHER FOLDER AND A PAPER CHECK. THEY MUST TAKE YOUR PAYMENT BACK TO THE KITCHEN TO PROCESS IT.

+1	+1
+1	-1

LIGHTING ROUND

ONLY THE BEST ANSWER GETS REWARDED

WHICH FORM OF PAYMENT SPENDS EXACTLY WHAT IS IN YOUR BANK ACCOUNT?

Cash	Credit
Debit	Digital Wallet

Debit

+1

WHICH FORM OF PAYMENT KEEPS YOUR REAL CARD NUMBER HIDDEN AND SAFE?

Cash

Credit

Debit

Digital Wallet

Digital Wallet

+1

WHICH FORM OF PAYMENT SPENDS EXACTLY WHAT YOU PHYSICALLY HOLD IN YOUR HANDS?

Cash	Credit
Debit	Digital Wallet

Cash

+1

YOU ARE BUYING A HOODIE FROM A SKETCHY, UNFAMILIAR ONLINE STORE.

Cash	Credit
Debit	Digital Wallet

YOU ARE BUYING A HOODIE FROM A SKETCHY, UNFAMILIAR ONLINE STORE.

-1	+1
-1	+1

YOU GO TO THE MALL WITH YOUR FRIENDS, FIND SOME CLOTHES, AND REALIZE AT THE CHECKOUT LINE THAT YOU COMPLETELY LEFT YOUR LEATHER WALLET AT HOME.

Cash	Credit
Debit	Digital Wallet

YOU GO TO THE MALL WITH YOUR FRIENDS, FIND SOME CLOTHES, AND REALIZE AT THE CHECKOUT LINE THAT YOU COMPLETELY LEFT YOUR LEATHER WALLET AT HOME.

-1	-1
-1	+1

WHAT ARE HACKERS & SCAMMERS?

PROTECTION LEVELS

HACKERS

SCAMMERS

BEING LOST

CASH

PURELY PHYSICAL TRANSACTION

YOU WILL NEVER GET THIS BACK. NO MIDDLEMAN OR BANK TO HELP YOU

YOU WILL NEVER GET THIS BACK. NO ONE CAN TRACE IT BACK TO YOU

DEBIT

BIG RISK. THEY GET ACCESS TO YOUR ENTIRE BANK ACCOUNT

DEPENDS. BANKS ARE TYPICALLY SLOW AND STRICT WITH THEIR POLICY.

YOU HAVE TO CALL THE BANK TO REPORT THE LOSS

CREDIT

PROTECTED. THEY'LL JUST END UP STEALING THE BANK'S MONEY

FOR CREDIT CARDS, YOU CAN FILE A CHARGE BACK (AND GET YOUR MONEY BACK)

YOU STILL HAVE TO CALL THE BANK, BUT IF SOMEONE USES YOUR CARD DURING THAT TIME, YOU CAN LEGALLY ONLY BE CHARGED $50

DIGITAL WALLET

SAFE. TOKENS PROTECT YOU.

THIS DEPENDS ON WHETHER YOU GOT SCAMMED USING YOUR DEBIT/CREDIT CARD

FASTEST. OPEN FIND MY AND DELETE THE CARD


BINGO
21 32 4
14 62 71 43
7 16 FREE 55
54 31
50 81
12 44
72 FREE
4 33
26 9 71
14 16
FREE
FREE

BINGO

Choose from this word bank.

Checking Account
Fast
Debt
Bank
Cash
Safe
Debit Card
Interest
Phone
Accountable
Transaction
Digital Wallet
Storage
Fraud
Hackers
Credit Card
Scammers
Tokenization
Vault
Build
Trust
Balance
Getting Lost
Bank Account
Record

BINGO RULES:

1. THERE WILL BE A SCENARIO, DEFINITION, OR EXERCISE.
2. KEEP IN MIND WHAT YOUR ANSWER IS
3. ANSWER IS REVEALED. IF YOU WERE RIGHT, CROSS IT OFF, IF NOT, THEN YOU MISSED YOUR CHANCE.
4. THERE WILL BE MULTIPLE CHANCES TO GET THE SAME WORD, SO DON'T WORRY!
5. HONOR SYSTEM (NO CHEATING!)

Q: Scenario

A criminal sends a fake Email link and tricks you into giving away your bank login. What kind of criminal is this?

A: Scammer

Q: Definition

A way to buy items now and pay for them later, usually receiving a monthly bill from a bank

A: Credit Card

Q: Fill in the blank

If you can not pay back your credit card bill, next month you’ll have to pay ____ which means you pay a little bit more than what you originally owed.

A: Interest

Q: Complete the Statement

A digital wallet does not function as another credit card company or bank. Instead, **it holds your credit/debit cards in one area.** A digital wallet can be described as...

**Hint: read the bolded line!

A: Storage

Q: Real-World Clues

Large brick buildings, vaults, ATMs on the sidewalk, handles money

A: Bank

Q: Definition

The exact amount of money you currently have available in your bank account.

A: Balance

Q: Real-World Clues

Green paper, metal coins, jingling in pockets, cash registers

A: Cash

Q: Definition

Money that you owe to another person, bank, or company.

A: Debt

Q: Scenario

You receive a strange text message saying your package cannot be delivered and asking you to click a link to pay a fee. It is a trick to steal your credit card details. Who sent this message?

A: Scammer

Q: Scenario

You swipe your card at the grocery store to buy groceries. The money leaves your checking account right away. What kind of card did you use?

A: Debit Card

Q: Rule of Thumb

Your digital wallet uses this process. It is the process of hiding your real credit card number from businesses and hackers.

A: Tokenization

Q: Definition

A bank account that allows you to easily deposit and take out money for your everyday expenses using checks or a debit card.

A: Checking Account

Q: Scenario

At the end of the month, you look at a list from your bank that shows exactly when and where you spent your money. What is this list called?

A: Record

Q: Rule of Thumb

Only spend what you can actually afford to pay back at the end of the month, or you will owe extra money.

A: Credit Card

Q: Scenario

Instead of reaching into your purse or pockets for your plastic cards, you hold your phone near the store's payment machine to pay. What are you using?

A: Digital Wallet

Q: Fill in the Blank

A team of ____ use computers to break into other people's oersonal devices or online accounts to steal private information.

A: Hackers

Q: Real-World Clues

Looking around at unfamiliar street signs, feeling nervous, opening a maps app on your phone.

A: Getting lost

Q: Scenario

You purchase a new video game at the store using your debit card. What is this exchange of money for an item called?

A: Transaction

Q: Scenario

You let your friend borrow your new bike because you know they are responsible and will bring it back safely. What trait are you showing your friend?

A: Trust

Q: Defintion

A handheld communication device that you can use to make calls, send messages, and run digital apps.

**Hint: This is also the device your digital wallet is stored on!

A: Phone

Q: Definition

A written, digital, or physical account of information, events, or money transactions that you can look back at later.

A: Record

THANK YOU VERY MUCH!

Presentation by Khloe Yang